

DELGADO, ACOSTA, BRADEN & JONES, P.C.

Attorneys at Law

AUSTIN



DALLAS



EL PASO



HOUSTON

MEMORANDUM

TO: Joyce Wilson, City Manager
Richarda Duffy Momsen, City Clerk
The Honorable Mayor and City Council

FROM: Paul A. Braden, Bond Counsel
Delgado, Acosta, Braden & Jones, P.C.

DATE: March 18, 2005

RE: An Ordinance authorizing the issuance of "City of El Paso, Texas, General Obligation Refunding Bonds, Series 2005"; levying a continuing direct annual ad valorem tax for the payment of said bonds; establishing procedures for the sale and delivery of the bonds; and delegating matters relating to the sale and issuance of the bonds to an authorized City officer or employee [Paul A. Braden, Bond Counsel, Delgado, Acosta, Braden & Jones, P.C., (915) 544-9997] [Public Hearing Date: March 22, 2005]

Attached for your review is a revised draft ordinance with respect to the issuance of the "City of El Paso, Texas, General Obligation Refunding Bonds, Series 2005". For ease of review, the enclosed draft is marked to show changes from the prior draft that was originally circulated under my memo dated March 14, 2005. The changes reflect some technical corrections and clarifications associated with a parameters ordinance and also reflect input from City administration and individual members of City Council. As previously stated, this bond transaction is being structured to provide the City with a greater degree of flexibility through a delegation of pricing authority to allow the City to address possible volatile market conditions and thereby hopefully maximize the City's level of potential savings.

I will attend the City Council meeting to answer questions concerning this item. In the meantime, please do not hesitate to call me at 544-9997 if you need additional information.

Thank you for your attention to this matter.

Enclosure

cc: Lisa Elizondo, City Attorney (*via electronic mail*)
Bill Studer, Deputy City Manager (*via electronic mail*)
Carmen Arrieta, Comptroller (*via electronic mail*)
Jorge Villegas, Assistant City Attorney (*via electronic mail*)
Steven A. Adams, First Southwest Company (*via electronic mail*)
Hector A. Zavaleta, First Southwest Company (*via electronic mail*)

DELGADO, ACOSTA, BRADEN & JONES, P.C.

Attorneys at Law

AUSTIN



DALLAS



EL PASO



HOUSTON

MEMORANDUM

TO: Joyce Wilson, City Manager
Richarda Duffy Momsen, City Clerk
The Honorable Mayor and City Council

FROM: Paul A. Braden, Bond Counsel
Delgado, Acosta, Braden & Jones, P.C.

DATE: March 14, 2005

RE: An Ordinance authorizing the issuance of "City of El Paso, Texas, General Obligation Refunding Bonds, Series 2005"; levying a continuing direct annual ad valorem tax for the payment of said bonds; establishing procedures for the sale and delivery of the bonds; and delegating matters relating to the sale and issuance of the bonds to an authorized City officer or employee [Paul A. Braden, Bond Counsel, Delgado, Acosta, Braden & Jones, P.C., (915) 544-9997] [Public Hearing Date: March 22, 2005]

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE – City Council Meeting, Tuesday, March 22, 2005

Please accept the enclosed Ordinance for introduction by the City Council at its regular City Council meeting to be held on Tuesday, March 22, 2005, and that a public hearing with respect to such ordinance be held immediately thereafter. The City Council will be asked to take immediate action to authorize the issuance and sale of refunding bonds in order to refund certain of the City's previously issued general obligation bonds for the purpose of achieving debt service savings. This bond transaction is being structured to provide some degree of flexibility through a delegation of pricing authority and is being done on an expedited basis to allow the City to address possible volatile market conditions that may otherwise diminish the level of savings.

I will attend the City Council meeting to answer questions concerning this item. In the meantime, please do not hesitate to call me at 544-9997 if you need additional information.

Thank you for your attention to this matter.

Enclosure

cc: Lisa Elizondo, City Attorney (*via electronic mail*)
Bill Studer, Deputy City Manager (*via electronic mail*)
Carmen Arrieta, Comptroller (*via electronic mail*)
Jorge Villegas, Assistant City Attorney (*via electronic mail*)
Steven A. Adams, First Southwest Company (*via electronic mail*)
Hector A. Zavaleta, First Southwest Company (*via electronic mail*)

ORDINANCE NO. _____

**CITY OF EL PASO, TEXAS
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2005**

Adopted: March 22, 2005

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.....	2
Section 1.02. Findings.....	45
Section 1.03. Table of Contents, Titles and Headings.....	45
Section 1.04. Interpretation.....	45

ARTICLE II

SECURITY FOR THE BONDS; INTEREST AND SINKING FUND

Section 2.01. Tax Levy.....	5
Section 2.02. Interest and Sinking Fund.....	56

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization.....	6
Section 3.02. Delegation of Authority to Pricing Officer.....	6
Section 3.03. Date, Denomination, Maturities and Interest.....	78
Section 3.04. Medium, Method and Place of Payment.....	78
Section 3.05. Execution and Registration of Bonds.....	89
Section 3.06. Ownership.....	910
Section 3.07. Registration, Transfer and Exchange.....	910
Section 3.08. Cancellation.....	1011
Section 3.09. Temporary Bonds.....	1011
Section 3.10. Replacement Bonds.....	11
Section 3.11. Book-Entry Only System.....	12
Section 3.12. Successor Securities Depository; Transfer Outside Book-Entry Only System.....	1213
Section 3.13. Payments to Cede & Co.....	13

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Optional Redemption.....	1314
--	-----------------

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01.	Appointment of Initial Paying Agent/Registrar.....	13 <u>14</u>
Section 5.02.	Qualifications.....	13 <u>14</u>
Section 5.03.	Maintaining Paying Agent/Registrar.....	13 <u>14</u>
Section 5.04.	Termination.....	14
Section 5.05.	Notice of Change to Owners.....	14
Section 5.06.	Agreement to Perform Duties and Functions.....	14 <u>15</u>
Section 5.07.	Delivery of Records to Successor.....	14 <u>15</u>

ARTICLE VI

FORM OF THE BONDS

Section 6.01.	Form Generally.....	14 <u>15</u>
Section 6.02.	Form of the Bonds.....	15
Section 6.03.	CUSIP Registration.....	22 <u>16</u>
Section 6.04.	Legal Opinion.....	22 <u>16</u>
Section 6.05.	Statement of Insurance.....	22 <u>16</u>

ARTICLE VII

SALE AND DELIVERY OF BONDS, DEPOSIT OF PROCEEDS

Section 7.01.	Sale of Bonds, Official Statement.....	23 <u>17</u>
Section 7.02.	Control and Delivery of Bonds.....	24 <u>18</u>
Section 7.03.	Deposit of Proceeds.....	24 <u>18</u>

ARTICLE VIII

INVESTMENTS

Section 8.01.	Investments.....	24 <u>18</u>
Section 8.02.	Investment Income.....	25 <u>19</u>

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01.	Payment of the Bonds.....	25 <u>19</u>
Section 9.02.	Other Representations and Covenants.....	25 <u>19</u>
Section 9.03.	Provisions Concerning Federal Income Tax Exclusion.....	25 <u>19</u>
Section 9.04.	No Private Use or Payment and No Private Loan Financing.....	26 <u>20</u>
Section 9.05.	No Federal Guaranty.....	26 <u>20</u>
Section 9.06.	Bonds are not Hedge Bonds.....	26 <u>20</u>

Section 9.07. No-Arbitrage Covenant.....	26 <u>20</u>
Section 9.08. Arbitrage Rebate.....	27 <u>21</u>
Section 9.09. Information Reporting.....	27 <u>21</u>
Section 9.10. Continuing Obligation.....	27 <u>21</u>

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default.....	27 <u>21</u>
Section 10.02. Remedies for Default.....	28 <u>22</u>
Section 10.03. Remedies Not Exclusive.....	28 <u>22</u>

ARTICLE XI

DISCHARGE

Section 11.01. Discharge.....	28 <u>22</u>
-------------------------------	-------------------------

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section 12.01. Annual Reports.....	29 <u>23</u>
Section 12.02. Material Event Notices.....	29 <u>23</u>
Section 12.03. Limitations, Disclaimers and Amendments.....	30 <u>24</u>

ARTICLE XIII

REDEMPTION OF REFUNDED OBLIGATIONS; APPROVAL OF ESCROW AGREEMENT; PURCHASE OF ESCROWED SECURITIES

Section 13.01. Redemption of Refunded Obligations.....	31 <u>25</u>
Section 13.02. Subscription of Federal Securities.....	32 <u>26</u>
Section 13.03. Approval of Escrow Agreement.....	32 <u>26</u>
Section 13.04. Notice of Deposit.....	33 <u>27</u>

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Bond Insurance Policy	25
Section 14.02. Further Procedures.....	31 <u>25</u>

Schedule I - Refunded Obligations

Exhibit A - Description of Annual Disclosure of Financial Information

A-1

Exhibit B – Escrow Agreement
Exhibit C – Form of the Bond

B-1
C-1

AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF EL PASO, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005"; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID BONDS; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, PAYMENT, AND DELIVERY OF SAID BONDS, INCLUDING THE APPROVAL AND EXECUTION OF AN ESCROW AGREEMENT; ESTABLISHING PROCEDURES FOR THE SALE AND DELIVERY OF THE BONDS; AND DELEGATING MATTERS RELATING TO THE SALE AND ISSUANCE OF THE BONDS TO AN AUTHORIZED CITY OFFICER OR EMPLOYEE.

WHEREAS, there are presently outstanding certain obligations of the City of El Paso, Texas (the "City"), described on Schedule I hereto (the "Eligible Refunded Obligations"), which are secured by and payable from ad valorem taxes levied on property within the City in an amount sufficient to pay principal of and interest on such obligations as they become due within the limits prescribed by law; and

WHEREAS, the City now desires to refund all or part of the Eligible Refunded Obligations and the Eligible Refunded Obligations designated by the ~~authorized City officer or employee designated in Section 3.02 hereof (the "Pricing Officer")~~ in the Pricing Certificate (both as defined below) to be refunded are herein referred to as the "Refunded Obligations";

WHEREAS, the City by this Ordinance and in accordance with the provisions of the Act (as defined herein), specifically, Section 1207.007, ~~Texas Government Code, as amended,~~ is delegating to the Pricing Officer the authority to establish the terms and details related to the issuance and sale of the ~~Bonds, City of El Paso, Texas General Obligation Refunding Bonds, Series 2005 (the "Bonds")~~ including: (1i) selection of the specific maturities or series of Eligible Refunded Obligations to be refunded; (2ii) the form and designation of the Bonds; (3iii) the principal amount of the Bonds and the amount of the Bonds to mature in each year; (4iv) the dates, price, interest rates, interest payment dates, principal payment dates, and redemption features of the Bonds; (5v) the form of ~~escrow agreement~~ Escrow Agreement as defined herein; and (6vi) any other details relating to the issuance and sale, delivery, and/or exchange of the Bonds ~~as specified by and the City Council~~ refunding of the City in this Ordinance Refunded Obligations; and

WHEREAS, Chapter 1207, Texas Government Code (the "Act"), authorizes the City to issue refunding obligations and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with a commercial bank or trust company and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, ~~Chapter 1207~~ the Act further authorizes the City to enter into an escrow agreement with a commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the City and such bank may agree, ~~provided that such deposits may be invested and reinvested only in direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, and which~~

~~shall mature and bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment or prepayment of the Refunded Obligations; and~~

WHEREAS, ~~_____ is a commercial bank and does not act as depository for the City and~~ the Escrow Agreement hereinafter authorized constitutes an escrow agreement of the kind authorized and permitted by ~~said Chapter 1207~~ the Act; and

WHEREAS, the City Council hereby finds and declares a public purpose and it is in the best interests of the City to refund the Refunded ~~Bonds~~ Obligations is in order to restructure the City's outstanding debt service and to achieve ~~an aggregate~~ present value debt service savings of not less than 3% of the Refunded Obligations taken as a whole, with such savings, among other information and terms to be included in ~~a pricing certificate (the "Pricing Certificate") to be executed by the Pricing Officer, all in accordance with the provisions of Section 1207.007, Texas Government Code;~~ and

WHEREAS, the City Council has found and determined that it is necessary and in the best interest of the City and its citizens that ~~it~~ the City Council authorize by this Ordinance and the Pricing Certificate the issuance and delivery of its bonds ~~at this time~~; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

"~~Bond~~ Act" means ~~any~~ Chapter 1207 of the ~~Bonds~~ Texas Government Code, as amended.

"Bond Date" means the date designated as the date of the Bonds in the Pricing Certificate.

"Bonds" means the City's bonds authorized to be issued by Section 3.01 of this Ordinance and designated as "City of El Paso, Texas, General Obligation Refunding Bonds, Series 2005" and includes both Current Interest Bonds and ~~Premium~~ Capital Appreciation Bonds.

"Capital Appreciation Bonds" means the Bonds, on which no interest is paid prior to maturity, maturing on the dates, in the years and in the aggregate principal amount and premium amount, if any, as set forth in the Pricing Certificate.

“City” means the City of El Paso, Texas.

“City Council” means the governing body of the City.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

“Compounded Amount” means, with respect to a ~~Premium~~ Capital Appreciation Bond, as of any particular date of calculation, the original principal amount thereof, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with Section 3.02 hereof.

“Constitution” means the Constitution of the State.

“Current Interest Bonds” means the Bonds, on which interest is paid semiannually, maturing on the dates, in each of the years and in the aggregate principal amount set forth in the Pricing Certificate.

“Designated Payment/Transfer Office” means: (i) with respect to the initial Paying Agent/Registrar named herein, its office in Minneapolis, Minnesota, or at such other location designated by the Paying Agent/Registrar; and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“DTC” shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Escrow Agent” means ~~_____~~ the commercial bank designated as escrow agent in the Pricing Certificate, its successors and assigns.

“Escrow Agreement” means that certain Escrow Agreement, ~~dated as of _____, 2005~~, between the City and the Escrow Agent establishing the escrow fund for repayment of the Refunded Obligations.

“Escrow Fund” means the fund by that name established under the Escrow Agreement.

“Event of Default” means any event of default as defined in Section 10.01 of this Ordinance.

“Federal Securities” shall have the meaning set forth in the Escrow Agreement.

“Initial Bond” means the Initial Bond authorized by Section 3.05 of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund established by Section 2.02 of this Ordinance.

“Interest Payment Date” means the date or dates on which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 15 and August 15, commencing on the date specified in the Pricing Certificate.

“Issuance Date” means the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefore.

“Maturity Date” means, the dates set forth in the Pricing Certificate and: (i) with respect to the Current Interest Bonds, the date that the principal amount is due; and (ii) with respect to the Capital Appreciation Bonds, the date that the Payment at Maturity is due.

“MSRB” means Municipal Securities Rulemaking Bond.

“Ordinance” means this ordinance authorizing the issuance of the Bonds and passed and approved by the City Council.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“NRMSIR” means each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

“Paying Agent/Registrar” means initially Wells Fargo Bank, N.A., or any successor thereto as provided in this Ordinance.

~~“Premium Payment At Maturity” means, with respect to the Capital Appreciation Bonds” means the Bonds, on which no interest is paid prior to maturity, maturing on the dates, in the years and in the aggregate principal, the Compounded Amount, plus the premium amount, if any, (as set forth in the Pricing Certificate) that is due and payable on the Maturity Date.~~

“Pricing Certificate” means the pricing certificate that sets forth the terms of the Bonds and is executed by the Pricing Officer all in accordance with the provisions of Section 1207.007, Texas Government Code.

“Pricing Officer” shall mean the City Manager of the City, or in the absence thereof, the Deputy City Manager for Financial and Administrative Services, each acting in such capacity severally and not jointly.

“Purchase Contract” means the bond purchase agreement between the City and the Underwriters as set forth in Section 7.01(a) of this Ordinance.

“Record Date” means the last business day of the month next preceding an Interest Payment Date.

“Register” means the Register specified in Section 3.07(a) of this Ordinance.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“SID” means any person by the State ~~of Texas~~ or an authorized department, officer or agency thereof as, and determined by the SEC or its staff to be a state information depository within the meaning of the Rule from time to time.

“State” means the State of Texas.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of or interest on the Bonds as the same come due and payable and remaining unclaimed by the Owners of such Bonds.

“Underwriters” means the ~~purchasers~~purchaser of the Bonds as specified in Section 7.01(a) hereof.

Section 1.02. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03. Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II

SECURITY FOR THE BONDS; INTEREST AND SINKING FUND

Section 2.01. Tax Levy.

(a) Pursuant to the authority granted by the ~~Texas~~ Constitution and the laws of the State ~~of Texas~~, there shall be levied and there is hereby levied for the current year and for each succeeding year hereafter while any of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the City, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Bonds, being: (i) the interest on the Bonds; and (ii) a sinking fund ~~for their redemption at maturity or a sinking fund~~ of two percent (2%) per annum ~~(whichever amount is greater)~~, when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the City most recently approved in accordance with law and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections ~~therefrom~~thereof, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance.

(d) If the lien and provisions of this Ordinance shall be released in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Bonds, there shall be subtracted the amount of any Bonds that have been duly called for redemption and for which money has been deposited with the Paying Agent/Registrar for such redemption.

Section 2.02. Interest and Sinking Fund.

(a) The City hereby establishes a special fund or account, to be designated the "City of El Paso, Texas, General Obligation Refunding Bonds, Series 2005, Interest and Sinking Fund," (the "Interest and Sinking Fund"), said fund to be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City.

(b) Money on deposit in or required by this Ordinance to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable in accordance with their terms and this Ordinance.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization.

The City's bonds to be designated "City of El Paso, Texas, General Obligation Refunding Bonds, Series 2005," (the "Bonds") are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State ~~of Texas~~, including specifically Chapter 1207, Texas Government Code, as amended, (the "Act") and the Charter of the City. The Bonds shall be and are hereby authorized to be issued in the ~~maximum aggregate~~ principal amount ~~hereinafter~~ set forth in the Pricing Certificate (within the parameters set forth in Section 3.02 below) and for the purpose of providing funds to refund the Refunded Obligations and to pay the costs of issuing the Bonds.

Section 3.02. Delegation of Authority to Pricing Officer.

(a) As authorized by the Act, specifically Section 1207.007, ~~Texas Government Code, as amended~~, the _____ ~~of the City (the "Pricing Officer")~~ is hereby authorized to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including, determining the ~~date of the Bonds~~ Bond Date, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds all of which shall be specified in the Pricing Certificate, including selection of the specific maturities or series (whole or part) of the bonds or other City obligations payable from ad valorem taxes to be refunded; provided that:

(i) the aggregate original principal amount of the Bonds shall not exceed \$153,000,000;

(ii) the price to be paid for the Bonds shall not be less than 90% of the aggregate original principal amount thereof plus accrued interest thereon from ~~its date to its delivery~~ the Bond Date to the Closing Date;

(iii) ~~none of the~~ Current Interest Bonds shall bear interest at a rate ~~not~~ greater than ~~6.75%~~ per annum and ~~none of the net effective interest rate (as defined in Chapter 1204, Texas Government Code, as amended) for the~~ Capital Appreciation Bonds shall ~~not exceed~~ be sold at a price that produces a yield greater than 6.75%;

(iv) the refunding (as a whole) must produce an aggregate present value debt service savings of at least 3.00%, net of any City contribution; and

(v) the Bonds shall mature on February 15 or August 15, or both in each year (other than the first year), and interest shall be payable on February 15 and August 15 in each year (other than the first year).

The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the City to the Underwriters.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a)(i) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. ~~The~~ Unless otherwise extended by an act of City Council, the delegation made hereby shall expire if not exercised by the Pricing Officer on ~~{April} June 29, 22, 2005.~~ Section 7.01 of this Ordinance, at such price and with and subject to such terms as set forth in the Pricing Certificate.

(c) The Bonds may be issued as Current Interest Bonds or ~~Premium~~ Capital Appreciation Bonds, or a combination thereof, as set forth in the Pricing Certificate.

(d) In the event any of the Bonds are issued as ~~Premium~~ Capital Appreciation Bonds, the Pricing Certificate shall have attached thereto a schedule which sets forth the rounded original principal amounts at the Issuance Date for the ~~Premium~~ Capital Appreciation Bonds and the Compounded Amounts thereof (per \$5,000 payment at maturity), including the initial premium, if any, as of each date and commencing on the date set forth in such schedule.

Section 3.03. Date, Denomination, Maturities and Interest.

(a) The Bonds shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on ~~August 15 in the~~ years dates and in the principal amounts set forth in the Pricing Certificate.

(c) Interest shall accrue and be paid on each Bond respectively until its maturity or prior redemption, from the later of the Bond Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective maturity specified in the Pricing Certificate. Such interest shall be payable semiannually commencing on the date set forth in the Pricing Certificate, and on each August 15 and February 15 thereafter until maturity or prior redemption. Interest on the Bonds shall be calculated on the basis of a 360-day year composed of 12 months of 30 days each.

Section 3.04. Medium, Method and Place of Payment.

(a) The principal of, premium, if any, and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to the Owners as shown in the Register at the close of business on the Record Date.

(c) Interest shall be paid by check, dated as of the Interest Payment Date, and sent by the Paying Agent/Registrar to each Owner, first class United States mail, postage prepaid, to the address of each Owner as it appears in the Register, or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond shall be paid to the Owner thereof on the due date (whether at the ~~maturity date~~ Maturity Date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which the Unclaimed Payments pertain. Subject to Title 6, Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6, Texas Property Code.

Section 3.05. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor and the City Clerk, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State ~~of Texas~~, or by his duly authorized agent, which Certificate shall be evidence that the Bond has been duly approved by the Attorney General of the State ~~of Texas~~ and that it is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State ~~of Texas~~.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of the Current Interest Bonds and or one Initial Bond representing the entire maturity amount of the ~~Premium~~ Capital Appreciation Bonds, payable in stated installments to the initial purchaser, or its designee, executed with the manual or facsimile signature of the Mayor and City Clerk of the City, approved by the Attorney General of the State, and registered and manually signed by the Comptroller of Public Accounts of the State, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Bonds, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC, on behalf of the initial purchaser, one typewritten Bond for each maturity and discrete interest rate representing the aggregate principal amount for each respective maturity and discrete interest rate, registered in the name of Cede & Co., as nominee for DTC.

Section 3.06. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and redemption premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon, and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.07. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the City shall cause the Paying Agent/Registrar to keep at its Designated Payment/Transfer Office and at the Office of the City Clerk of the City a register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) Each exchange Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for any different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond called for redemption, in whole or in part, where such redemption is scheduled to occur within forty-five (45) calendar days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.08. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be canceled and proper records shall be made regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall then return such canceled Bonds to the City or may in accordance with law destroy such cancelled Bonds and periodically furnish the City with certificates of destruction of such Bonds.

Section 3.09. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Paying Agent/Registrar shall authenticate and deliver, one (1) or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and

other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and shall authenticate and deliver in exchange therefor Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State ~~of Texas~~ and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity

provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.11. Book-Entry Only System.

Notwithstanding any other provision hereof, upon initial issuance of the Bonds, the ownership of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Bonds shall be initially issued in the form of a single separate certificate for each of the maturities and discrete interest rates thereof.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to: (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds; (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds, for the purpose of all matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

Section 3.12. Successor Securities Depository; Transfer Outside Book-Entry Only System.

In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar shall: (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.13. Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Optional Redemption.

The Bonds shall be subject to redemption prior to scheduled maturity at the option of the City as set forth in the Pricing Certificate.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

Wells Fargo Bank, N.A. (or any successor thereto), is hereby appointed as the initial Paying Agent/Registrar for the Bonds.

Section 5.02. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State ~~of Texas~~, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Paying Agent/Registrar Agreement specifying the duties and responsibilities of the City and the Paying Agent/Registrar presented at this meeting is hereby approved and the Mayor is hereby authorized and directed to execute such Paying Agent/Registrar Agreement. The signature of the Mayor shall be attested by the City Clerk of the City.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.04. Termination.

The City, upon not less than sixty (60) days notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination.

Section 5.05. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally.

(a) The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State ~~of Texas~~, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds; (i) shall be substantially in the form set forth in this Article and Exhibit C, with such appropriate insertions, omissions, substitutions, and other variations as are ~~permitted or required by this Ordinance~~ set forth in the Pricing Certificate; and (ii), with the Bonds to be completed with the information set forth in the Pricing Certificate, may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the Pricing Officer, as evidenced by their execution thereof. The Pricing Certificate shall set forth the final and controlling forms of the Bonds.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State ~~of Texas~~ may be typewritten and photocopied or otherwise reproduced.

Section 6.02. Form of the Bonds.

The form of the Bond, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State ~~of Texas~~, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially ~~as follows~~ in the form set forth in Exhibit C with such appropriate insertions, omissions, substitutions and other variations as set forth in the Pricing Certificate.

~~(a)~~

~~Form of Bond.~~

United States of America
State of Texas
County of El Paso

CITY OF EL PASO, TEXAS
GENERAL OBLIGATION REFUNDING BOND
SERIES 2005

~~{FORM OF FIRST TWO PARAGRAPHS OF CURRENT INTEREST BOND}~~

REGISTERED

REGISTERED

No. _____

\$ _____

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NUMBER
_____%	_____, ____	_____, 2005	_____

~~The City of El Paso, Texas (the "City"), in the County of El Paso, State of Texas, for value received, hereby promises to pay to~~

~~or registered assigns, on the Maturity Date specified above, the sum of~~

_____ DOLLARS

~~unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the later of the Bond Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30 day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing _____.~~

~~The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office of Wells Fargo Bank, N.A. in Minneapolis, Minnesota (the "Designated Payment/Transfer Office"), as Paying Agent/Registrar, or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the **interest payment date**, and will be mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner; provided, however, such registered owner~~

~~shall bear all risk and expense of such other banking arrangement. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which date shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.~~

~~[FORM OF FIRST TWO PARAGRAPHS OF PREMIUM
CAPITAL APPRECIATION BOND]~~

~~REGISTERED~~

~~PAYMENT AT
MATURITY~~

~~No. _____~~

~~\$ _____~~

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NUMBER
_____ %	_____, ____	_____, 2005	_____

~~The City of El Paso, Texas (the "City"), in the County of El Paso, State of Texas, for value received, hereby promises to pay to _____ or registered assigns, on the Maturity Date specified above, the sum of _____ DOLLARS representing the principal amount hereof and accrued and compounded interest hereon. Interest shall accrue on the principal amount hereof from the Issuance Date at the interest rate per annum specified above, compounded semiannually on _____ and _____ of each year commencing _____. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount plus initial premium, if any, per \$5,000 Maturity Amount compounded semiannually at the yield shown on such table.~~

~~THE PAYMENT AT MATURITY of this Bond is payable in lawful money of the United States of America, without exchange or collection charges. The Payment at Maturity of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity at the principal corporate trust office of Wells Fargo Bank, Texas, N.A. in Minneapolis, Minnesota (the "Designated Payment/Transfer Office") for this Bond, and shall be drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of the Bonds (the "Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided, payable to the registered owner~~

hereof, as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. The City covenants with the registered owner of this Bond that on or before the Maturity Date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Ordinance, the amounts required to provide for the payment, in immediately available funds of the Payment ~~at Maturity, when due.~~

~~[FORM OF REMAINDER OF EACH BOND]~~

~~IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was.~~

~~THIS BOND is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds"), issued pursuant to a certain ordinance of the City (the "Ordinance") for the purpose of providing funds to refund the Refunded Obligations and to pay the costs of issuing the Bonds. The Bonds are comprised of (i) Bonds in the aggregate principal amount of \$_____ that pay interest only at maturity (the "Premium Capital Appreciation Bonds") and (ii) Bonds in the aggregate principal amount of \$_____ that pay interest semiannually until maturity (the "Current Interest Bonds").~~

~~ON _____, _____, or on any date thereafter, the Current Interest Bonds of this Series maturing on or after _____, _____, may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Paying Agent/Registrar, at the Issuer's direction (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption.~~

~~AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared at the close of business on the day such notice of redemption is mailed and to major securities depositories, national bond rating agencies and bond information services; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being~~

~~outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate amount equal to the unredeemed portion thereof, will be issued to the Bond Order.~~

~~ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, with respect to Current Interest Bonds, in the denomination of any integral multiple of \$5,000, and with respect to Premium Capital Appreciation Bonds, in the denomination of \$5,000 payment at maturity amounts or any integral multiple thereof.~~

~~As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the designated office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.~~

~~The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.~~

~~IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law, that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that ad valorem taxes upon all taxable property in the City have been levied for and pledged to the payment of the debt service requirements of the Bonds, within the limit prescribed by law.~~

~~IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Clerk of the City, and the official seal of the City has been duly impressed or placed in facsimile on this Bond.~~

City Clerk
City of El Paso, Texas

Mayor,
—City of El Paso, Texas—

~~(b) Form of Comptroller's Registration Certificate.~~

~~The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.~~

~~OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
OF THE STATE OF TEXAS~~

~~§
§ REGISTER NO. _____
§~~

~~I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the City of El Paso, Texas, and that this Bond has this day been registered by me.~~

~~Witness my hand and seal of office at Austin, Texas, _____.~~

Comptroller of Public Accounts
— of the State of Texas

[SEAL]

(e)

Form of Certificate of Paying Agent/Registrar.

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within mentioned Ordinance.

WELLS FARGO BANK TEXAS, N.A.
Minneapolis, Minnesota, as Paying Agent/Registrar

Dated: _____

By: _____
Authorized Signature

~~(d)~~ Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

~~(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this Section, except for the following alterations:~~

~~(i) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below";~~

~~(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on August 15 in each of the years, in the principal installments and bearing interest at the per annum rates in accordance with the following schedule:-"~~

<u>Years</u>	<u>Principal Installments</u>	<u>Rates</u>

~~(Information to be inserted from
the Pricing Certificate)~~

Section 6.03. CUSIP Registration.

The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.04. Legal Opinion.

The approving legal opinions of Delgado, Acosta, Braden & Jones, P.C., as Bond Counsel, may be printed on the reverse side of each Bond over the certification of the City Clerk of the City, which may be executed in facsimile.

Section 6.05. Statement of Insurance.

A statement relating to a municipal bond insurance policy, if any, to be issued for the Bonds may be printed on or attached to each Bond.

ARTICLE VII

SALE AND DELIVERY OF BONDS, DEPOSIT OF PROCEEDS

Section 7.01. Sale of Bonds, Official Statement.

(a) The Bonds authorized by this Ordinance are to be sold by the City to ~~the~~ Bear, Stearns & Co. Inc., RBC Dain Rauscher Inc., and Southwest Securities, Inc. (collectively, the “Underwriters”) in accordance with a bond purchase agreement (the “Purchase Contract”), the terms and provisions of which Purchase Contract are to be determined by the Pricing Officer, in accordance with Section 3 hereof. With regard to such terms and provisions of said Purchase Contract, the Pricing Officer is hereby authorized to come to an agreement with the Underwriters on the following, among other matters:

1. The details of the purchase and sale of the Bonds;
2. The details of the public offering of the Bonds by the Underwriters;
3. The details of an Official Statement (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the City’s Rule 15c2-12 compliance;
4. A security deposit for the Bonds;
5. The representations and warranties of the City to the Underwriters;
6. The details of the delivery of, and payment for, the Bonds;
7. The Underwriters’ obligations under the Purchase Contract;
8. The certain conditions to the obligations of the City under the Purchase Contract;
9. Termination of the Purchase Contract;
10. Particular covenants of the City;
11. The survival of representations made in the Purchase Contract;
12. The payment of any expenses relating to the Purchase Contract;
13. Notices; and
14. Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Bonds.

(b) The Pricing Officer is hereby authorized and directed to execute ~~said~~the Purchase Contract for and on behalf of the City and as the act and deed of this City Council.

(c) The Mayor and City Clerk of the City are further authorized and directed to manually or electronically execute and deliver for and on behalf of the City copies of a Preliminary Official Statement and Official Statement, prepared in connection with the offering of the Bonds by the Underwriters, in final form as may be required by the Underwriters, and such final Official Statement in the form and content manually or electronically executed by said

officials shall be deemed to be approved by the City Council of the City and constitute the Official Statement authorized for distribution and use by the Underwriters.

(d) All officers of the City are authorized to execute such documents, certificates and receipts as they may deem appropriate in order to consummate the delivery of the Bonds in accordance with this Ordinance.

(e) The obligation of the Underwriters to accept delivery of the Bonds is subject to such Underwriters being furnished with the final, approving opinions of Delgado, Acosta, Braden & Jones, P.C., Bond Counsel for the City, which opinion shall be dated and delivered the Closing Date.

Section 7.02. Control and Delivery of Bonds.

(a) The Mayor of the City is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State, registration by the Comptroller of Public Accounts of the State and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Underwriters under and subject to the general supervision and direction of the Mayor, against receipt by the City of all amounts due to the City under the terms of sale.

Section 7.03. Deposit of Proceeds.

(a) All amounts received on the Closing Date as accrued interest on the Bonds from the Bond Date to the Closing Date shall be deposited to the Interest and Sinking Fund.

(b) Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance and any accrued interest received from the Underwriters of the Bonds) shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Escrow Agreement. The proceeds of sale of the Bonds not so deposited with the Escrow Agent for the refunding of the Refunded Obligations shall be disbursed for payment of costs of issuance, or deposited in the Interest and Sinking Fund for the Bonds. Such proceeds of sale may be invested in authorized investments and any investment earnings realized may be (with respect to the accrued interest received from the Underwriters) deposited in the Interest and Sinking Fund as shall be determined by the City Council of the City.

(c) The remaining balance shall be deposited to a special fund, and shall be used to pay the costs of issuing the Bonds.

ARTICLE VIII

INVESTMENTS

Section 8.01. Investments.

(a) Money in the Interest and Sinking Fund created by this Ordinance, at the option of the City, may be invested in such securities or obligations as permitted under applicable law. Money in the Escrow Fund shall be applied as provided in the Escrow Agreement.

(b) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 8.02. Investment Income.

Interest and income derived from investment of the Interest and Sinking Fund shall be credited to such Fund. Earnings derived from investment of the Escrow Fund shall be credited to such Fund.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds.

On or before each Interest Payment Date for the Bonds and while any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of the Bonds as will accrue or mature on the applicable Interest Payment Date or date of prior redemption.

Section 9.02. Other Representations and Covenants.

(a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Bond; the City will promptly pay or cause to be paid the principal of and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

Section 9.03. Provisions Concerning Federal Income Tax Exclusion.

The City intends that the interest on the Bonds shall be excludable from gross income for purposes of federal income taxation pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations promulgated thereunder (the “Regulations”). The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Bonds to be includable in the gross income, as defined in section 61 of the Code, of the holders thereof for purposes of federal income taxation. In particular, the City covenants and agrees to comply with each requirement of Sections 9.03 through 9.10 hereof, inclusive; provided, however, that the City shall not be required to comply with any particular requirement of Sections 9.03 through 9.10 hereof, inclusive; if the City has received an opinion of nationally recognized bond counsel (“Counsel’s Opinion”) that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or if the City has received a Counsel’s Opinion to the effect that compliance with some other requirement set forth in Sections 9.03 through 9.10 hereof, inclusive; will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such Counsel’s Opinion shall constitute compliance with the corresponding requirement specified in this Sections 9.03 through 9.10 hereof, inclusive.

Section 9.04. No Private Use or Payment and No Private Loan Financing.

The City shall certify, through an authorized officer, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “private activity bonds” within the meaning of section 141 of the Code and the Regulations. The City covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the bonds will not be “private activity bonds” within the meaning of section 141 of the Code and the Regulations.

Section 9.05. No Federal Guaranty.

The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Regulations, except as permitted by section 149(b)(3) of the Code and the Regulations.

Section 9.06. Bonds are not Hedge Bonds.

The City covenants and agrees not to take any action, or knowingly omit to take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code and the Regulations.

Section 9.07. No-Arbitrage Covenant.

The City shall certify, through an authorized officer, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the City will reasonably expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations. Moreover, the City covenants and agrees that it will make such use of the proceeds of the Bonds including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations.

Section 9.08. Arbitrage Rebate.

If the City does not qualify for an exception to the requirements of Section 148(f) of the Code, the City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the “gross proceeds” of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will: (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issue of the City or moneys which do not represent gross proceeds of any bonds of the City; (ii) calculate at such times as are required by the Regulations, the amount earned from the investment of the gross proceeds of the Bonds which is required to be rebated to the federal government; and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

Section 9.09. Information Reporting.

The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in accordance with section 149(e) of the Code and the Regulations.

Section 9.10. Continuing Obligation.

Notwithstanding any other provision of this Ordinance, the City’s obligations under the covenants and provisions of Sections 9.03 through 9.10 hereof, inclusive; shall survive the defeasance and discharge of the Bonds.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

- (i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or
- (ii) default in the performance or observance of any other covenant, agreement or obligation of the City, which default materially and adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Owner to the City.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XI

DISCHARGE

Section 11.01. Discharge.

The Bonds may be defeased, refunded and discharged in any manner permitted by applicable law.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section 12.01. Annual Reports.

(a) The City shall provide annually to each NRMSIR and to any SID, within six (6) months after the end of each fiscal year ending in or after 2005, financial information and operating data with respect to the City of the general type included in the final Official Statement, being the information described in Exhibit A hereto. Any financial statements so to be provided shall be: (i) prepared in accordance with the accounting principles described in Exhibit A hereto; and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide notice that audited financial statements are not available and shall provide unaudited financial statements for the applicable fiscal year to each NRMSIR and any SID. Thereafter, when and if audited financial statements become available, the City shall provide such audited financial statements as required to each NRMSIR and to any SID.

(b) If the City changes its fiscal year, it will notify each NRMSIR and any SID of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to each NRMSIR and any SID or filed with the SEC.

Section 12.02. Material Event Notices.

(a) The City shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

- (i) principal and interest payment delinquencies;

- (ii) nonpayment related defaults;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax exempt status of the Bonds;
- (vii) modifications to rights of Owners;
- (viii) bond calls;
- (ix) defeasance;
- (x) release, substitution, or sale of property securing repayment of the Bonds;
and
- (xi) rating changes.

(b) The City shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 12.02 of this Ordinance by the time required by such Section.

Section 12.03. Limitations, Disclaimers and Amendments.

(a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Article XI that causes Bonds no longer to be Outstanding.

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the City in observing or performing its obligations under this Article shall comprise a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(e) The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if: (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances; and (2) either: (a) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment; or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.02 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

ARTICLE XIII

REDEMPTION OF REFUNDED OBLIGATIONS; APPROVAL OF ESCROW AGREEMENT; PURCHASE OF ESCROWED SECURITIES

Section 13.01. Redemption of Refunded Obligations.

(a) In order to provide for the refunding, discharge, and retirement of the Refunded Obligations, the Refunded Obligations, identified, described, and in the amounts set forth in the Pricing Certificate, are called for redemption on the first date(s) such Refunded Obligations are subject to redemption at the price of par plus accrued interest to the redemption dates, and notice of such redemption shall be given in accordance with the applicable provisions of the ordinance(s) adopted by the City Council of the City, which authorized the issuance of the Refunded Obligations. The Pricing Officer is hereby authorized and directed to issue or cause to be issued a Notice of Redemption for each series of the Refunded Obligations in substantially

the form(s) set forth as (an) Exhibit(s) to the Pricing Certificate, to each and every paying agent/registrar for Refunded Obligations, in accordance with the redemption provisions applicable to each series of the Refunded Obligations.

(b) Each paying agent/registrar for the Refunded Obligations is hereby authorized and directed to give or cause to be given notice of redemption of the Refunded Obligations at the times and in the manner specified in the ordinance authorizing the issuance of such Refunded Obligations, and is hereby directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on their respective redemption dates.

(c) The City Clerk is hereby authorized and directed to cause a copy of this Ordinance to be delivered to each paying agent/registrar for the Refunded Bonds the delivery of which shall constitute notice of redemption and notice of defeasance to such paying agent/registrar.

Section 13.02. Subscription of Federal Securities.

The Pricing Officer is hereby authorized to make necessary arrangements for the purchase of the Federal Securities referenced in the Escrow Agreement, as may be necessary for the Escrow Fund and any application for the acquisition of the Federal Securities is hereby approved and ratified.

Section 13.03. Approval of Escrow Agreement.

(a) The Escrow Agreement, substantially in the form attached hereto as Exhibit B, is hereby approved as to form and content, and such Escrow Agreement in substantially the form and substance attached hereto, together with such terms and details established by the Pricing Officer and such changes or revisions as may be necessary to accomplish the refunding or benefit the City, is hereby authorized to be finalized by the Pricing Officer for and on behalf of the City and as the act and deed of this City Council. The Escrow Agreement, with the final terms incorporated therein as determined by said Pricing Officer, shall be deemed approved by the City Council and shall constitute the Escrow Agreement herein approved and its execution and delivery by the Mayor is hereby authorized and approved. The City Clerk shall attest the signature of the Mayor.

(b) With regard to the finalization of certain terms and provisions of said Escrow Agreement, the Pricing Officer is hereby authorized to come to an agreement with the Escrow Agent on the following details, among other matters:

1. The identification of the Refunded Obligations;
2. The creation and funding of the Escrow Fund or Funds; and
3. The Escrow Agent's compensation, administration of the Escrow Fund or Funds, and the settlement of any paying agents' charges relating to the Refunded Obligations.

The Pricing Officer may determine (and is hereby authorized to determine) that more than one Escrow Fund be established for the Refunded Obligations, if certain of the Refunded

Obligations selected for redemption prior to maturity may, in accordance with the terms of such Refunded Obligations, be defeased by the establishment of an Escrow Fund funded with ~~Government Obligations~~Federal Securities (and cash, to the extent necessary) different from the ~~Government~~Federal ObligationsSecurities (and cash, to the extent necessary) that may be utilized to defease certain of the other Refunded Obligations. In connection with the establishment of more than one Escrow Fund for the Refunded Obligations, if more than one Escrow Agreement is required in connection with such Escrow Funds, the Pricing Officer is hereby authorized to approve one or more additional Escrow Agreements, substantially in the form attached hereto as Exhibit B (which Escrow Agreement(s) shall be executed by the Mayor and attested to by the City Clerk, as aforesated), and in accordance with the terms and conditions described in this Section.

On or immediately prior to the date of the delivery of the Bonds to the Underwriters, the Pricing Officer shall also cause to be deposited (and is hereby authorized to cause to be deposited) with the Escrow Agent from moneys on deposit in the debt service fund(s) maintained for the payment of the Refunded Obligations an amount which, together with the proceeds of sale, and the investment earnings thereon, will be sufficient to pay in full the Refunded Obligations (or the amount of accrued interest due thereon) scheduled to mature and authorized to be redeemed on the earliest date established in the Pricing Certificate for the redemption of any of the Refunded Obligations (or the earliest date of payment, to be made from moneys in the Escrow Fund(s), as established in the Pricing Certificate, of the amount of accrued interest due thereon).

Section 13.04. Notice of Deposit.

Each paying agent/registrar for the Refunded Obligations is hereby authorized and directed to give notice of deposit with respect to the Refunded Obligations as required under the ordinance pursuant to which the Refunded Obligations were issued.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Bond Insurance Policy. The Pricing Officer is authorized, in connection with effecting the sale of the Bonds, to obtain from a municipal bond insurance company so designated in the Purchase Contract (the "Insurer") a municipal bond insurance policy in support of the Bonds. To that end, should the Pricing Officer exercise such authority and commit the City to obtain a municipal bond insurance policy, for so long as such policy is in effect, the requirements of the Insurer relating to the issuance of said policies are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. Each Pricing Officer shall have the authority to execute any documents to effect the issuance of said policy by the Insurer.

Section 14.02. ~~Section 14.01. The~~ Further Procedures.

(a) The Mayor, the City Clerk and/or the City Manager of the City and all other officers, employees and agents of the City, and each of them, shall be and they are hereby

expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bonds, the sale of the Bonds and the Official Statement. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(b) The obligation of the initial purchasers to accept delivery of the Bonds is subject to the initial purchasers being furnished with the final, approving opinion of Delgado, Acosta, Braden & Jones, P.C., bond counsel to the City, which opinion shall be dated as of and delivered on the date of initial delivery of the Bonds to the initial purchasers. The engagement of such firm as bond counsel to the City in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed.

(c) To pay the debt service coming due on the Bonds, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

(The remainder of this page intentionally left blank)

APPROVED AND ADOPTED this 22nd day of March, 2005.

Joe Wardy
Mayor, City of El Paso, Texas

ATTEST:

Richarda Duffy Momsen
City Clerk, City of El Paso, Texas

[SIGNATURE PAGE TO ORDINANCE](#)

SCHEDULE I
ELIGIBLE REFUNDED OBLIGATIONS

<u>Series</u>	<u>Original Issue Date</u>	<u>Paying Agent</u>
Combination Tax and Revenue Certificates of Obligation, Series 2001	January 15, 2001	First Union National Bank
General Obligation Bonds, Series 2000-A	April 1, 2000	Bank of New York
Combination Tax and Revenue Certificates of Obligation, Series 2000	April 1, 2000	Bank of New York
General Obligation Bonds, Series 1998-A	October 15, 1998	U.S. Trust Company of Texas
Combination Tax and Revenue Certificates of Obligation, Series 1998-B	October 15, 1998	U.S. Trust Company of Texas
General Obligation Bonds, Series 1998	March 1, 1998	U.S. Bank
Combination Tax and Hotel Occupancy Tax Certificates of Obligation, Series 1998	March 1, 1998	U.S. Bank
Combination Tax and Revenue Certificates of Obligation, Series 1998-A	March 1, 1998	U.S. Bank
General Obligation Bonds, Series 1997	March 15, 1997	U.S. Trust Company of Texas
Combination Tax and Revenue Certificates of Obligation, Series 1997-A	March 15, 1997	U.S. Trust Company of Texas
Combination Tax and Revenue Certificates of Obligation, Series 1996-A	April 15, 1996	Norwest Bank
General Obligation Bonds, Series 1995	December 1, 1995	Norwest Bank
Combination Tax and Revenue Certificates of Obligation, Series 1995-A	December 1, 1995	Norwest Bank

EXHIBIT A

DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION

The following information is referred to in Article XII of this Order.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Article are as specified (and included in the Appendix or other headings of the Official Statement referred to) below:

1. The portions of the financial statements of the City appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year ~~;~~ and
2. Statistical and financial data set forth in Tables numbered 1 through 15, inclusive.

Accounting Principles

The accounting principles referred to in such Article are the accounting principles described in the notes to the financial statements referred to in Paragraph 1 above.

EXHIBIT B
ESCROW AGREEMENT

EXHIBIT C
FORM OF BOND

A. Form of Current Interest Bond

United States of America
State of Texas
County of El Paso

CITY OF EL PASO, TEXAS
GENERAL OBLIGATION REFUNDING BOND
SERIES 2005

REGISTERED

REGISTERED

No. _____

\$ _____

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NUMBER</u>
<u>_____ %</u>	<u>_____.____.</u>	<u>_____. 2005</u>	<u>_____</u>

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

THE CITY OF EL PASO, TEXAS (the "City"), in the County of El Paso, State of Texas, for value received, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "registered owner"), on the Maturity Date specified above, the principal amount set forth above, unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the later of the Bond Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing on _____ (the "Interest Payment Date").

THE PRINCIPAL of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office of Wells Fargo Bank, N.A. in Minneapolis, Minnesota (the "Designated Payment/Transfer Office"), as Paying Agent/Registrar, or, with respect to a successor paying

agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, and will be mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner; provided, however, such registered owner shall bear all risk and expense of such other banking arrangement. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which date shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$ (herein referred to as the "Bonds"), issued pursuant to a certain ordinance of the City (the "Ordinance") for the purpose of providing funds to refund the Refunded Obligations and to pay the costs of issuing the Bonds. The Bonds are comprised of a series of Bonds, the terms of which are set forth in the Ordinance and the Pricing Certificate.

ON , or on any date thereafter, the Current Interest Bonds of this Series maturing on or after , may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Paying Agent/Registrar, at the City's direction (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared at the close of business on the day such notice of redemption is mailed and to major securities depositories, national bond rating agencies

and bond information services; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, then a substitute Bond or Bonds having the same Maturity Date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, with respect to Current Interest Bonds, if any, in the denomination of any integral multiple of \$5,000, and with respect to Capital Appreciation Bonds, if any, in the denomination of \$5,000 Payment At Maturity amounts or any integral multiple thereof.

AS PROVIDED in the Ordinance, and subject to certain limitations set forth therein, this Bond is transferable upon surrender of this Bond for transfer at the designated office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

REFERENCE IS hereby made to the Ordinance and the Pricing Certificate, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the registered owner by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance and the Pricing Certificate may be amended or supplemented with or without the consent of the registered owner; the rights, duties, and obligations of the City and the Paying Agent/Registrar; and any additional terms and conditions relating to this Bond. Capitalized terms used herein have the same meanings assigned in the Ordinance and the Pricing Certificate.

THE CITY, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law, that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that ad valorem taxes upon all taxable property in the City have been levied for and pledged to the payment of the debt service requirements of the Bonds, within the limit prescribed by law.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Clerk of the City, and the official seal of the City has been duly impressed or placed in facsimile on this Bond.

City Clerk
City of El Paso, Texas

Mayor,
City of El Paso, Texas

B. Form of the Capital Appreciation Bond.

United States of America
State of Texas
County of El Paso

CITY OF EL PASO, TEXAS
GENERAL OBLIGATION REFUNDING BOND
SERIES 2005

REGISTERED

PAYMENT AT
MATURITY

No. _____

\$ _____

INTEREST RATE

MATURITY DATE

BOND DATE

CUSIP NUMBER

%

.

, 2005

THE CITY OF EL PASO, TEXAS (the "City"), in the County of El Paso, State of Texas, for value received, hereby promises to pay to _____ or registered assigns (hereinafter called the "registered owner"), on the Maturity Date specified above, the sum of _____ DOLLARS representing the principal amount hereof

and accrued and compounded interest hereon. Interest shall accrue on the principal amount hereof from the Issuance Date at the interest rate per annum specified above, compounded semiannually on _____ and _____ of each year commencing on _____. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount plus initial premium, if any, per \$5,000 Maturity Amount compounded semiannually at the yield shown on such table.

THE PAYMENT AT MATURITY of this Bond is payable in lawful money of the United States of America, without exchange or collection charges. The Payment At Maturity of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity at the principal corporate trust office of Wells Fargo Bank, Texas, N.A. in Minneapolis, Minnesota (the "Designated Payment/Transfer Office") for this Bond, and shall be drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of the Bonds (the "Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided, payable to the registered owner hereof, as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. The City covenants with the registered owner of this Bond that on or before the Maturity Date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Ordinance, the amounts required to provide for the payment, in immediately available funds of the Payment At Maturity, when due.

IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$ _____ (herein referred to as the "Bonds"), issued pursuant to a certain ordinance of the City (the "Ordinance") for the purpose of providing funds to refund the Refunded Obligations and to pay the costs of issuing the Bonds. The Bonds are comprised of a series of Bonds, the terms of which are set forth in the Ordinance and the Pricing Certificate.

THIS BOND is not subject to redemption prior to maturity.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, with respect to Current Interest Bonds, in the denomination of any integral multiple of \$5,000, and with respect to Capital Appreciation Bonds, in the denomination of \$5,000 Payment At Maturity amounts or any integral multiple thereof.

AS PROVIDED in the Ordinance, and subject to certain limitations set forth therein, this Bond is transferable upon surrender of this Bond for transfer at the designated office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same

stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

REFERENCE IS hereby made to the Ordinance and the Pricing Certificate, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the registered owner by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance and the Pricing Certificate may be amended or supplemented with or without the consent of the registered owner; the rights, duties, and obligations of the City and the Paying Agent/Registrar; and any additional terms and conditions relating to this Bond. Capitalized terms used herein have the same meanings assigned in the Ordinance and the Pricing Certificate.

THE CITY, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law, that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that ad valorem taxes upon all taxable property in the City have been levied for and pledged to the payment of the debt service requirements of the Bonds, within the limit prescribed by law.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Clerk of the City, and the official seal of the City has been duly impressed or placed in facsimile on this Bond.

City Clerk
City of El Paso, Texas

Mayor,
City of El Paso, Texas

C. Form of the Comptroller's Registration Certificate.

The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS

§
§ REGISTER NO. _____

OF THE STATE OF TEXAS

§

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the City of El Paso, Texas, and that this Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

D. Form of Certificate of Paying Agent/Registrar.

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within-mentioned Ordinance.

WELLS FARGO BANK TEXAS, N.A.
Minneapolis, Minnesota, as Paying Agent/Registrar

Dated: _____

By: _____
Authorized Signature

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee):

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By: _____

Authorized Signatory _____

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

E. Form of the Initial Bond.

(a) The Initial Bond shall be in the form set forth in paragraphs (A) through (E) of this Exhibit, except for the following alterations:

(i) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below;" and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on the payment dates, in the principal installments and bearing interest at the per annum rates in accordance with the following schedule:

Payment Dates

Principal Installments

Rates

(Information to be inserted from
the Pricing Certificate)

Document comparison done by DeltaView on Friday, March 18, 2005 13:50:25

Input:	
Document 1	WORLD\OX:F:\WDOX\CLIENTS\001737\000006\10071415.D OC
Document 2	WORLD\OX:F:\WDOX\CLIENTS\001737\000006\10071891.D OC
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	265
Deletions	222
Moved from	51
Moved to	51
Format changed	0
Total changes	589